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A BILL

To amend the Central Intelligence Agency Act of 1949, as amended, and for other purposes.

EXPLANATION AND JUSTIFICATION

The purpose of the proposed bill is to provide for technical amendment to legislative authorities pertaining to the Central Intelligence Agency. Some of the provisions are necessary to achieve desired legal clarification of existing Agency authority, others are necessary to provide authorities which have been granted by Congress elsewhere in Government for travel, medical care, claims, retirement and similar housekeeping-type programs.

The specific provisions of the proposed bill together with related Central Intelligence Agency statutory provisions, if any, are set forth in the Appendix, "Changes in Existing Law".

With the exception of section 208 relating to cost-of-living adjustments of retirement annuities, no additional costs to the Government will result from enactment of Title II, the "Central Intelligence Agency Retirement Act Amendments of 1967", and Title III, "miscellaneous", concerning exclusion from the Federal Employees Pay Act of 1945, as amended. Additional costs of providing the authorities set forth in section 208 and in Title I, the "Central Intelligence Agency Act Amendments of 1967", are estimated not to exceed $ 262, 000.00 for the first full year.

The following statements are cited to the appropriate section of the proposed bill.

TITLE I

Title I amends the Central Intelligence Agency Act of 1949, 63 Stat. 208, as amended, (50 U.S.C. 403a through j).

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Short Title

Section 101

Section 101 does nothing but provide a short title for title I.

Updating Citations and Correcting "Executive"

Section 102

The Armed Forces Procurement Act of 1947 has now been codified in title 10 of the United States Code. Section 102 merely takes cognizance of this fact by citing the code.

Travel Expenses Made Permissive and Defining "Abroad"

Section 103

Section 103 makes two amendments to the Central Intelligence Agency Act. First, it inserts the word "abroad" after the word "assigned" so that the pertinent portion of the language reads "employees assigned abroad to duty stations outside the United States...". The significance of the word "abroad" is to provide a definition as to what "abroad" means. Specifically it makes clear that Hawaii and Alaska are considered to be "abroad".

The second amendment is to change the word "shall" to the word "may" in introducing the many authorities which the Agency has with respect to travel expenses, transportation of furniture, packing and unpacking, leaves of absence, hospitalization in the case of illness or injury, establishing first-aid stations, and so forth.

Experience has revealed that the literal provision of a travel or leave benefit, for instance, at all times and in all circumstances in exactly the same manner, is not appropriate and therefore permissive rather than mandatory authority should be provided.

Rest and Recuperation

Section 104

Section 104 provides a new authority. It will permit the Agency to pay the travel expenses of officers and employees of the Agency and members of their families to travel from a hardship post to areas having different environmental conditions for rest and recuperation. Such travel is limited to one round trip during any

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continuous two-year tour and two round trips during any continuous three-year tour.

The Foreign Service Act contains this authority for Foreign Service personnel.

Family Travel Expenses for Temporary Duty

Section 105

Not infrequently, assignment of Agency employees to their permanent posts of duty requires a deviation from the most direct route to another Agency post in order to provide orientation and training. Under existing law the family of the employee must either wait in the United States or proceed ahead of him to the permanent post. Section 105 of the bill would permit the payment of travel expenses for the family to accompany him to the interim stopoff point.

This authority is provided in the Foreign Service Act for Foreign Service personnel.

Home Leave

Section 106

Existing law grants authority to the Agency to order employees for home leave upon "completion of two years' continuous service abroad...". Section 106 would raise this to three years for posts which are roughly comparable to the United States and would authorize ordering an employee for home leave at 18 months in the case of hardship posts.

This same authority appears in the Foreign Service Act for Foreign Service personnel.

Medical Care - Hospitalization

Section 107

Existing law permits the Agency to pay the travel expenses of employees who suffer illness or injury abroad to the nearest locality where a suitable hospital exists. Sometimes hospitalization is not required but medical care is needed.

Section 107 would eliminate the limitation of hospitalization and substitute "medical care". The section also extends this benefit to dependents.

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It also provides for the payment of the cost of treatment for such illness or injury of an employee and, in the case of dependents, pays the cost of treatment but with a $35 deduction and a maximum limitation of 120 days of treatment. This limitation does not apply where it is determined that the illness or injury is caused by the fact of location of the dependent in the foreign area. The extension of both travel and treatment expenses to dependents is new.

This benefit is one provided in the Foreign Service Act for Foreign Service personnel and their dependents.

Language Training

Section 108

Section 108 would permit necessary orientation and language training for members of an employee's family where this is considered necessary because of the particular duties of the employee at the new assignment post. Normally this training would be restricted to the employee's wife.

This authority is provided in the Foreign Service Act for Foreign Service personnel.

Advisory Personnel

Section 109

The CIA uses the National Security Act of 1947 to appoint advisory committees and other advisory personnel. Section 109 would place this authority in the CIA Act itself and would also remove the limitation of $50 per day. The AEC, FAA, and NASA can, for example, go up to $100 per day. Payment under the new language in section 109 would have an upper limit of $100 per day.

Reemployment Rights

Section 110

Section 110 would provide a new authority for the Agency which would permit an individual to transfer from another Department or Agency to CIA for a specified time, agreed upon by the two Agencies, and upon completion of the assignment afford the individual statutory protection in reemployment.

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This authority would be of considerable assistance in filling critical engineering and scientific disciplines during emergencies.

Similar authority is provided in the Foreign Service Act.

Claims Authority

Section 111

Section 111 provides a new authority relating to the settlement of claims abroad. Today CIA has no authority to settle claims for loss of or damage to real or personal property or for personal injury or death. This section would provide that authority to an upper limit of $10,000. This kind of authority in one form or another is available to the State Department and to the military departments.

TITLE II

Title II amends the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, (78 Stat. 1043, 50 U.S.C. 403, note.) It should be understood that the Central Intelligence Agency has two retirement systems: the regular civil service retirement for the vast majority of its employees and its own CIA retirement system for a relatively small number of employees.

Short Title

Section 201

Section 201 merely provides a short title for title II.

Definition "Child"

Section 202

Section 202 does three things: First, it eliminates the requirement that a child be dependent upon a parent retiree in order to receive a survivor annuity. The present definition of a child requires that the child receive more than half his support from the participant to be eligible. This requirement could defeat a survivor annuity based on the service of a working mother. This support requirement was eliminated from the Civil Service Retirement Act by the 89th Congress.

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Second, it raises from 21 to 22 the maximum age for receiving survivor annuity payments as a student and increases from four to five months the maximum absence from school which may be permitted without terminating the survivor annuity. This will aid survivor children enrolled in trisemester programs to secure employment and earn money without losing their annuity.

This same action was taken by the 89th Congress for student beneficiaries under the Civil Service Retirement Act.

Lastly, it permits a natural child to share in the distribution of any money in the CIA retirement and disability fund. The act today clearly permits a natural child to receive an annuity but it is not entirely clear with respect to lump-sum benefits. This would correct this deficiency.

A similar provision amending the Civil Service Retirement Act was approved by the 89th Congress.

Widow's Annuity

Section 203

This section permits the annuity of a widow or a dependent widower to continue in the event of remarriage. This is similar to the law applicable to survivor annuitants under the Foreign Service Act and is in keeping with the plan approved by the 89th Congress for survivor annuitants under the Civil Service Retirement Act.

Child's Annuity

Section 204

This section provides for the commencement and termination date for a child survivor annuity and assures that the survivor annuity of a student may be resumed even though it had previously been terminated, as for example, because of military service. Today once an annuity has been terminated because of an absence between school terms in excess of the maximum absence authorized, the annuity cannot be resumed.

A similar amendment to the Civil Service Retirement Act was approved by the 89th Congress.

Annuity Commencement Date

Section 205

This section makes a technical change in the law which will

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authorize the commencement of an annuity as soon as the individual enters a nonpay status. Under existing law, an annuitant must wait until the beginning of the month following his date of separation.

This will conform the CIA retirement system to the civil service retirement system in this respect.

Transfer of Contributions

Section 206

Under existing law, an individual who transfers into the CIA retirement fund from some other Government retirement system can transfer his contributions from the other fund to the CIA fund, but there is no provision for transfer of the Government contribution to such fund.

Also, when an individual transfers from the CIA retirement fund to some other Government retirement fund, there is no provision for the transfer of either the Government's contribution or his own contribution to the non-CIA retirement fund. This section would correct the inequities of this situation.

The Civil Service Commission is wholly in accord with this change.

Reemployment of Annuitants

Section 207

The small group of employees who are under the CIA Retirement Act retire, on the whole, some 10 years earlier than employees under the Civil Service Retirement Act. These retirees therefore, with few exceptions, will need to seek a second career. They do not acquire status in the competitive service and much of the experience and competence cannot be readily related to normal Government positions. It is probable, therefore, that they would have to accept a Government position, at least initially, several grades below their position in the CIA at the time of retirement. This section would authorize an annuitant who is retired from the Agency to be reemployed in the Government and to retain the salary of the new position, plus so much of his annuity, which when added to the new salary, would not exceed his salary at the time of retirement.

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For example, if a CIA GS-13 (salary of $12,873) retires with an annuity of $6,000 and then enters other Federal employment at the GS-11 level (salary, $9,221), he would actually receive only $3,221 for his services. This section would permit the retiree to receive his earned salary of $9,221 plus $3,652 of his $6,000 annuity bringing him up to his previous salary level of $12,873.

It is pointed out that this relates to very few people. It is pointed out, also, that a retired military reservist can retain both his civilian salary and his entire annuity and that a retired Regular officer can retain his salary plus the first $2,000 of his annuity and 50 percent of the balance of it.

Cost-of-Living Adjustment

Section 208

This section will bring the cost-of-living provision of the Agency's Retirement Act into line with provisions which currently apply to civil service and military retirees. During the first session of the 89th Congress, the cost-of-living provision for military retirees was amended to gear increases to quarterly rather than average calendar year Consumer Price Indexes. Later in that session similar legislation for the benefit of the entire civil service system was approved.

TITLE III

Federal Employees Pay Act

Section 301

The Central Intelligence Agency is now excluded from the Federal Employees Pay Act of 1945, as amended, by regulation of the Civil Service Commission, but not by law. This section would exclude the CIA by law.

The Agency has developed a salary administration program which adheres closely to the principles and standards of the Classification Act regarding the classification of positions, establishment of entry salary rates, and the grant of merit and quality step increases and conforms generally to the principles and standards of the Pay Act regarding premium pay and hours of work. However, it has been necessary for the Agency to deviate somewhat from the specific practices required by the act to accommodate peculiar problems inherent in its mission and functions.

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